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**7 January 2016**

Market Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam,

**Proportional takeover offer – First supplementary bidder's statement**

We act for AEGP Australia Pty Ltd ACN 605 683 798 (**AEGP**).

Pursuant to section 647(3)(a) of the *Corporations Act 2001* (Cth), we enclose the first supplementary bidder's statement in relation to AEGP's proportional off-market takeover bid to acquire 13.62% of the ordinary shares in Armour Energy Limited ACN 141 198 414 (**Armour**) that it does not already own.

The first supplementary bidder's statement will today also be lodged with the Australian Securities and Investments Commission and sent to Armour.

Kind regards



**Tony Bancroft**  
Partner

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

You should read this document in its entirety. If you are in any doubt as to how to deal with it, you should consult your Broker, legal, financial or other professional adviser as soon as possible.

# **FIRST SUPPLEMENTARY BIDDER'S STATEMENT**

**Offer by**

**AEGP Australia Pty Ltd**

ACN 605 683 798

**TO ACQUIRE 13.62% OF YOUR ORDINARY SHARES  
IN**

**Armour Energy Limited**

ACN 141 198 414

**for \$0.25 CASH**

**FOR EACH ARMOUR SHARE**

The date of the Offer is 11 December 2015 and the Offer will close on 12 January 2016, unless withdrawn.

**Legal Adviser**



LAWYERS

## DISCLAIMER, IMPORTANT INFORMATION AND NOTICES

### (a) First Supplementary Bidder's Statement

This document is a supplementary bidder's statement under section 643 of the *Corporations Act 2001* (Cth) issued by AEGP Australia Pty Ltd ACN 605 683 798 (**AEGP**) and relates to the Offer. It is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) to AEGP's bidder's statement dated 1 December 2015 (**Bidder's Statement**) in respect of AEGP's proportional off-market takeover bid to acquire 13.62% of each Armour Shareholder's Armour Shares (excluding Armour Shares held by AEGP).

This First Supplementary Bidder's Statement is dated 7 January 2016. It supplements, and should be read together with, the Bidder's Statement. This document will prevail to the extent of any inconsistency with the Bidder's Statement.

### (b) Australian Securities and Investments Commission

A copy of this First Supplementary Bidder's Statement was lodged with ASIC on 7 January 2016. Neither ASIC nor any of its officers take any responsibility for the contents of this First Supplementary Bidder's Statement.

### (c) Defined terms and interpretation

Unless otherwise noted in this document or the context requires otherwise, capitalised terms and certain abbreviations used in this First Supplementary Bidder's Statement are defined in the Glossary in section 9 of the Bidder's Statement.

## KEY DATES

Bidder's Statement lodged with Armour, ASIC and ASX	1 December 2015
Date of Offer	11 December 2015
Date of this First Supplementary Bidder's Statement	7 January 2016
Offer closes	7:00pm (Sydney time) 12 January 2016

## Update on conditions precedent to Farm-out Agreement

As set out in section 1.4 of the Bidder's Statement, the closing of the Farm-out Agreement is subject to a number of conditions precedent which must be satisfied by 9 January 2016 (**Cut-off Date**). As at the date of this First Supplementary Bidder's Statement, a number of these conditions remain outstanding including:

- AEGP undertaking due diligence to its satisfaction;
- assignment by Armour to AEGP of an interest in certain native title agreements; and
- no court orders or Government decisions being in place which materially adversely affect the transaction agreements.

There is currently a risk that one or more of the outstanding conditions may not be satisfied by the Cut-off Date. In particular, AEGP understands that it has now become unlikely that Armour will be able to satisfy the condition precedent that an interest in the relevant native title agreements is assigned to AEGP before the Cut-off Date in the manner required by the Farm-out Agreement. Armour has proposed an assignment of the interest in the relevant native title agreements in a manner that is materially different to the requirements of the Farm-out Agreement (including the requirement that each of the native title holders are party to the agreement intended to effect that assignment). AEGP is not prepared to accept Armour's proposal and requires Armour to comply with the agreed condition precedent in the Farm-out Agreement.

If one or more of the outstanding conditions (including the condition precedent to assign to AEGP an interest in certain native title agreements), is not satisfied or waived by the Cut-off Date, either party may either seek to terminate the Farm-out Agreement (in which case the American Energy Transaction would not proceed), or to re-negotiate it.

## Approval of First Supplementary Bidder's Statement

This First Supplementary Bidder's Statement has been approved by a resolution of the directors of AEGP.

Dated: 7 January 2016

Signed for and on behalf of AEGP by:



Aubrey McClendon, Director